

Message Text

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22

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 ITC-01 AID-05 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02

STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /056 W

----- 040888

R 161726Z JUL 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 1587

INFO ALL EC CAPITALS 2346

C O N F I D E N T I A L EC BRUSSELS 07084

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: EC GSP/TOBACCO

REF: STATE 168133

1. MISSION OFFICERS MET WITH EC COMMISSION OFFICIALS FIELDING (DG I) AND MARMULLA (DG VI) ON JULY 9 TO CARRY OUT INSTRUCTIONS (REFTEL) ON COMMISSION PROPOSAL TO ALLOW PREFERENTIAL TREATMENT UNDER EC GSP FOR FLUE-CURED TOBACCO IN CXT 24.01 A. LOERKE (DG I) AND FALKENBERG (DG VI) GAVE US THE COMMISSION'S RESPONSE ON JULY 14. COMMISSION OFFICIALS MAINTAIN THAT THE PROPOSAL WILL NOT HURT U.S. TOBACCO EXPORTS FOR TWO REASONS. FIRST, THE PRACTICAL EFFECT OF GIVING PREFERENTIAL TREATMENT TO TOBACCO FALLING UNDER 24.01 A WILL BE MINIMAL SINCE IMPORTS INTO THE STRONG CURRENCY MARKETS, I.E., GERMANY, WILL STILL FALL UNDER 24.01 B. FALKENBERG AND LOERKE EXPLAINED THAT THE COMMISSION MEASURE WAS TO HELP CONTRACTS ALREADY IN EXISTENCE FOR IRELAND AND THE UK (HOWEVER, THEY ADMITTED THAT THE REMAINING UNFULFILLED QUOTA FOR IRELAND AND THE UK WAS MUCH SMALLER THAN THE TOTAL EC UNFULFILLED QUOTA OF AROUND 20,000 M.T. WHICH WOULD BE ELIGIBLE FOR THE NEW SCHEME). SECONDLY, THE COMMISSION CLAIMS THAT THE DANGER OF GSP TOBACCO COMPETING

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WITH HIGH-QUALITY U.S. TOBACCO IN 24.01 A IS THEORETICAL

SINCE ALMOST NO TOBACCO PRODUCED IN GSP-ELIGIBLE COUNTRIES
IS OF THE SAME HIGH QUALITY AS U.S. TOBACCO.

2. FALKENBERG EXPECTS A FAVORABLE OPINION FROM THE PARLIAMENT
ON THE COMMISSION PROPOSAL EITHER THIS WEEK OR NEXT WEEK. HE
ALSO EXPECTS THAT IT WILL BE APPROVED WITHOUT DISCUSSION IN
THE EC COUNCIL SOME TIME SOON SO THAT THE MEASURE CAN APPLY
WITH EFFECT FROM EARLY OR MID-AUGUST. HINTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
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Margaret P. Grafeld
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04 MAY 2006

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